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EDITORIALS

Scientology's 'charity'

Forget, for a moment, the corporate spying, the illicit attempts to discredit its opponents. Forget the seized Church of Scientology documents that revealed a plan "to fully investigate the Clearwater city and county area so we can distinguish our friends from our enemies and handle as needed." Forget the "church" members who bugged U.S. Internal Revenue Service offices and stole files from government agencies.

Consider merely the practical effect of the IRS' decision to grant tax-exempt status to 153 Church of Scientology churches, missions and corporations: The IRS now has granted charity status to a collection of corporations that deliver a service priced at \$800 an hour; it has asked other taxpayers to, in effect, subsidize the work of a worldwide corporate empire whose method of counseling was developed by a former science fiction writer, L. Ron Hubbard.

Even as local Scientology spokesman Richard Haworth was celebrating the IRS' decision, he was making the relevant point: "Now we can get down to our real business, that of delivering counseling."

That "business" is a multimillion-dollar operation that profits from people in need, and please take note of the bottom line. To have one's conscience cleansed and purified by the Church of Scientology can cleanse one's savings account of as much as \$400,000.

Though the IRS decision no doubt represents bureaucratic surrender, it also speaks to the impossibly flawed state of tax law. The laws governing tax status for charities and churches are so vague and so generous that a clearly non-religious or non-charitable enterprise can still claim exemption from taxation as long as it is "substantially related" to the charitable organization.

No government agency should be in the

business of defining religion, but it can determine the point at which an organization operates like a profitmaking business. That's the point at which taxes should be paid like any other business.

The problem is that Congress has been incapable of drawing that line. The basic tax exemption for charitable organizations has changed only twice since it was first adopted in 1913, and the last time a House Ways and Means subcommittee took up the issue of "unrelated-business income tax," in 1989, the effort was dropped before a bill was even introduced. Said subcommittee member Charles Rangel, D-N.Y.: "I don't see why we would want to walk on such troubled waters until we knew who's walking with us." In other words, don't fight church or charity.

The problem with the congressional hands-off approach is that it leaves the IRS in a box. The agency must accept, constitutionally, the Church of Scientology's claims of religiosity; but it can't then force the proper distinctions about profitmaking enterprise. Though non-profit organizations have argued that such abuses are rare, the IRS discovered an intriguing trend during the 1980s. Between 1985 and 1987, when Congress was debating the unrelated-business income tax, which requires taxes to be paid on the commercial portions of exempt organizations, tax payments from non-profit organizations quadrupled.

If the Church of Scientology's new status as a charity doesn't wake up Congress, then little will. Eleven years ago, when the Clearwater City Commission conducted hearings on the church, Hubbard's son, Ron DeWolf, said his father had created the religion as a way to solve tax problems, and added: "My father only knew how to do one thing, and that was to destroy people." Welcome to the nation's latest charity, one which all taxpayers will help support.